

CITY OF YATES CENTER, KANSAS
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS'S REPORT

December 31, 2014

City of Yates Center, Kansas

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INDEPENDENT AUDITOR'S REPORT

City Commissioners
City of Yates Center
Yates Center, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Yates Center, Kansas and related municipal entities, as of and for the year ended December 31, 2014 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the Yates Center, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Yates Center, Kansas as of December 31, 2014 or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Yates Center, Kansas as of December 31, 2014, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, schedule of receipts and expenditures – actual and budget – component unit (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2015, on our consideration of Yates Center, Kansas's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yates Center, Kansas's internal control over financial reporting and compliance.

Prior Year Comparative

The 2013 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2014 basic financial statement upon which we have rendered an unmodified opinion dated June 5, 2015. The 2013 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2013 comparative information is the responsibility of management and was derived from and related directly to the underlying account and other records used to prepare the 2013 basic financial statement. The 2013 comparative information was subjected to the auditing procedures applied in the audit of the 2013 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2013 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 comparative information is fairly stated in all material respects in relation to the 2013 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered
June 5, 2015

City of Yates Center, Kansas

**SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2014**

	Unencumbered Cash Balance January 1, 2014	Prior Year Cancelled Encumbrances
Governmental type funds		
General	\$ 422,301	\$ 0
Special Purpose		
Special Highway	66,250	0
Downtown Development	0	0
Library	4,855	0
Recreation Commission	1,848	0
Lincoln Park Memorial	11,808	0
Special Law and Emergency Vehicle	164,946	0
Special Parks and Recreation	3,173	0
Municipal Equipment	73,642	0
Multi-year Capital Improvement	21,037	0
Fire Protection Reserve	37,472	0
Ball Field Improvements	11,154	0
Economic Development	76,324	0
Water Rescue	3,721	0
Light Hardware	9,378	0
Special Recreational Facilities	95,234	0
Police Department Special Account	5,930	0
Business funds		
Waterworks	426,723	0
Sewer	339	0
Sewer Replacement	116,600	0
Sewer Debt Service	57,923	0
Water Reserve	158,392	0
Total primary government	<u>1,769,050</u>	<u>0</u>
Related Municipal Entities		
Carnegie Public Library	110,271	0
Recreation Commission	31,908	0
Total related municipal entities	<u>142,179</u>	<u>0</u>
Total reporting entity (excluding agency funds)	<u><u>\$ 1,911,229</u></u>	<u><u>\$ 0</u></u>
Composition of ending cash		
Demand deposits		
Yates Center Bank Branch - City	\$	441,412
Yates Center Bank Branch - Carnegie Public Library		5,571
Yates Center Bank Branch - Recreation Commission		5,142
Time deposits		
Yates Center Bank Branch - City		1,636,430
Yates Center Bank Branch - Carnegie Public Library		105,915
Yates Center Bank Branch - Recreation Commission		4,583

The accompanying notes are an integral part of this statement.

Statement 1

Cash Receipts	Expenditures	Unencumbered Cash Balance December 31, 2014	Outstanding Encumbrances and Accounts Payable	Cash Balance December 31, 2014
\$ 998,040	\$ 938,967	\$ 481,374	\$ 17,763	\$ 499,137
169,811	165,939	70,122	3,114	73,236
0	0	0	0	0
61,359	54,270	11,944	0	11,944
19,285	15,729	5,404	0	5,404
0	0	11,808	0	11,808
47,797	0	212,743	0	212,743
329	0	3,502	0	3,502
15,400	0	89,042	0	89,042
42,806	17,470	46,373	0	46,373
13,313	7,443	43,342	293	43,635
9,984	6,095	15,043	0	15,043
26,625	35,913	67,036	0	67,036
0	0	3,721	0	3,721
7,879	17,257	0	0	0
31,048	24,468	101,814	0	101,814
9	0	5,939	0	5,939
486,594	435,997	477,320	43,981	521,301
265,665	251,022	14,982	5	14,987
11,300	0	127,900	0	127,900
170,400	170,078	58,245	0	58,245
20,738	0	179,130	0	179,130
<u>2,398,382</u>	<u>2,140,648</u>	<u>2,026,784</u>	<u>65,156</u>	<u>2,091,940</u>
66,029	66,025	110,275	1,265	111,540
16,509	38,693	9,724	0	9,724
<u>82,538</u>	<u>104,718</u>	<u>119,999</u>	<u>1,265</u>	<u>121,264</u>
<u>\$ 2,480,920</u>	<u>\$ 2,245,366</u>	<u>\$ 2,146,783</u>	<u>\$ 66,421</u>	<u>\$ 2,213,204</u>
Certificates of deposit				
Piqua State Bank - City				\$ 20,000
Cash on hand				
City				20
Carnegie Public Library				<u>55</u>
Total cash balance				2,219,128
Agency cash per Schedule 3				<u>(5,924)</u>
Total reporting entity (excluding agency funds)				<u>\$ 2,213,204</u>

City of Yates Center, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Yates Center is a municipal corporation governed by an elected mayor and eight-member council. These financial statements present the City and its related municipal entities, entities for which the government is considered to be financially accountable. Each related municipal entity is reported on a separate line in the summary of cash receipts, expenditures and unencumbered cash to emphasize it is legally separate from the government. Each related municipal entity has a December 31 year end.

Related Municipal Entities

The Library provides reading and research materials for the residents of the City. The Board members for the Library are appointed by the City Council. Because the Library is not a separate taxing entity by state statutes, the City levies taxes for the Library's operations. The financial data of the Library is reported as a related municipal entity in Schedule 4 of the report.

The Recreation Commission provides recreational facilities and services for the residents of the City. The Board members for the Recreation Commission are appointed by the City Council. The Commission is not a separate taxing entity and therefore the City levies taxes for the Commission's operations. The financial data of the Recreation Commission is reported as a related municipal entity in Schedule 4 of the report.

Autonomous Entity

The Firemen's Relief Association provides insurance and other benefits to firemen. The Association's Board consists of firefighters elected by popular vote. Kansas statutes provide for funding by assessing a charge on fire insurance premiums paid. The Association is an autonomous entity and therefore its financial data is not included in these financial statements.

Related Organization

The Housing Authority was organized to provide a not-for-profit apartment facility for local elderly residents. The Housing Authority members are appointed by the Mayor with Council approval. The City has no responsibility for any liabilities incurred by the Housing Authority and provides no funding to the Housing Authority. The Housing Authority is not dependent upon the City of Yates Center. For these reasons, the Housing Authority is not considered to be a part of the City's reporting entity and therefore is not included in these financial statements.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Funds accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potentially could have the following type of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt. Currently bond and interest payments are made through the utility funds and thus the City does not have a bond and interest fund at this time

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

City of Yates Center, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE B. REGULATORY BASIS FUND TYPES - continued

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipality reporting entity scholarship funds, etc). The City does not have any of these types of funds at the present time.

Agency Fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, municipal court accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Yates Center, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were budget amendments for the following funds in the current year:

Fund	Original	Amended
General	\$ 986,523	\$ 1,039,700
Ball Field Improvement	0	6,095
Special Highway	176,212	183,389
Economic development	32,370	42,544
Special Rec Facilities	6,088	43,562
Water Utilities	407,572	420,031

City of Yates Center, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE D. BUDGETARY INFORMATION - continued

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose and business funds:

Lincoln Park Memorial	Ball Field Improvements
Water Rescue	Light Hardware
Police Department Special Account	Water Capital Improvement
Sewer Replacement	Water Reserve

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

NOTE E. CASH AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The City rates investments (if any) as noted.

Concentration of credit risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments other than money markets and certificates of deposit.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2014.

At December 31, 2014, the City's carrying amount of deposits was \$2,097,841 (which includes cash on hand of \$75) and the bank balance was \$2,099,926. The difference between the carrying amount and the bank balance was outstanding checks and outstanding deposits. The bank balance was held by two banks resulting in a concentration of credit risk. Of

City of Yates Center, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE E. CASH AND INVESTMENTS - continued

the bank balance, \$270,000 was covered by FDIC insurance and \$1,829,926 was collateralized with securities held by the pledging financial institutions' agent in the City's name.

At December 31, 2014, the Carnegie Public Library's carrying amount of deposits was \$111,540 (which excludes petty cash of \$55) and the bank balance was \$112,861. The difference between the carrying amount and the bank balance was outstanding checks and outstanding deposits. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$112,861 was covered by FDIC insurance.

At December 31, 2014, the Recreation Commission's carrying amount of deposits was \$9,724 and the bank balance was \$9,724. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$9,724 was covered by FDIC insurance.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

NOTE F. LONG-TERM DEBT

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
Revolving Loan:				
Kansas Water Pollution Control	3.14%	09/20/2000	\$ 2,738,507	03/01/2023
Kansas Department of Health and Environment	3.47%	06/22/2009	491,624	08/01/2030
Capital Leases:				
Diesel Generators	5.40%	12/28/2006	151,000	12/28/2016
Ball Field Improvements	5.40%	02/26/2007	30,000	02/26/2017
Land	6.50%	12/27/2007	156,000	12/27/2022
Fire Equipment	4.35%	04/07/2008	18,000	04/07/2015
Asphalt Zipper	3.73%	01/10/2011	95,045	01/10/2016

Changes in long-term debt for the City of Yates Center for the year ended December 31, 2014, were as follows:

	<u>Balance January 1, 2014</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance December 31, 2014</u>	<u>Interest Paid</u>
Revolving Loan:					
Kansas Water Pollution Control	\$ 1,371,556	\$ 0	\$ 124,630	\$ 1,246,926	\$ 42,097
Kansas Department of Health and Environment	387,346	0	16,548	370,798	13,299
Capital Leases:					
Diesel Generators	54,013	0	17,055	36,958	2,689
Ball Field Improvements	13,858	0	3,210	10,648	752
Land	107,821	0	10,785	97,036	2,723
Fire Equipment	5,706	0	2,790	2,916	248
Asphalt Zipper	59,106	0	21,190	37,916	2,205
	<u>\$ 1,999,406</u>	<u>\$ 0</u>	<u>\$ 196,208</u>	<u>\$ 1,803,198</u>	<u>\$ 64,013</u>

City of Yates Center, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE F. LONG-TERM DEBT - continued

Current maturities of long-term debt for the next five years and in five year increments thereafter are as follows:

Year	Revolving Loan		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 146,076	\$ 55,189	\$ 52,838	\$ 6,399	\$ 198,914	\$ 61,588
2016	151,145	50,120	54,313	4,091	205,458	54,211
2017	156,390	44,875	15,356	2,061	171,746	46,936
2018	161,818	39,447	11,955	1,554	173,773	41,001
2019	167,435	33,831	12,266	1,242	179,701	35,073
2020 to 2024	669,031	82,180	38,748	1,777	707,779	83,957
2025 to 2029	135,510	20,430	0	0	135,510	20,430
2030	30,317	872	0	0	30,317	872
	<u>\$ 1,617,722</u>	<u>\$ 326,944</u>	<u>\$ 185,476</u>	<u>\$ 17,124</u>	<u>\$ 1,803,198</u>	<u>\$ 344,068</u>

NOTE G. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Special Highway	K.S.A. 12-1118	168,625
General	Special Law and Emergency	K.S.A. 12-1118	33,282
General	Multi-year Capital Improvement	K.S.A. 12-1118	28,298
General	Fire Protection	K.S.A. 12-1118	13,313
General	Ball Field Improvement	K.S.A. 12-1118	9,985
General	Economic Development	K.S.A. 12-1118	26,625
General	Light Hardware	K.S.A. 12-1118	1,932
Waterworks	Water Reserve	K.S.A. 12-1118	20,400
Waterworks	Sewer Fund Replacement	K.S.A. 12-1118	26,000
Special Highway	Municipal Equipment	K.S.A. 12-1118	15,400
Sewer Fund	Sewer Fund Replacement	K.S.A. 12-1118	11,300
Sewer	Sewer Debt Service	K.S.A. 12-1118	170,400
Light Hardware	General Fund	K.S.A. 12-1118	3,511

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

Other Post Employment Benefits: As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

The City has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All full-time employees of the City are eligible to participate in the plan beginning the first day of the month following employment.

City of Yates Center, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS

Compensated Absences: The City's policies regarding vacation pay permits employees to accumulate vacation time earned in a twelve month period. Vacation is awarded based upon the number of years worked according to the following time frame: one week vacation after one year, two weeks after two years, three weeks after ten years and four weeks after twenty years. Vacation time may be carried over to the first three months following their employment year. Earned vacation leave shall be paid upon termination.

	Balance January 1, 2014	Net Change	Balance December 31, 2014
Compensated absences			
Vacation leave	\$ 15,577	\$ (959)	\$ 14,618

The City's policies regarding sick leave permit employees to accumulate sick leave to a maximum of 90 days. Earned sick leave is not paid upon termination. The City also offers a shared sick leave policy whereby employees may donate accumulated sick leave to fellow employees within a given set of qualifications.

Compensated absences are paid by the fund from which the employee is normally paid.

NOTE I. DEFINED BENEFIT PENSION PLAN

Plan description - The City of Yates Center, Kansas participates in the Kansas Public Employees Retirement System (KPERS) which is a cost-sharing multiple-employer defined benefit pension plan as provided by Kansas law. KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

Funding policy - KSA 74-4919 and K.S.A. 74-4921 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is Tier 1 or Tier 2 member. The Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate at 5% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

Net Pension Liability - The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has not determined the Municipality's proportionate share of the net pension liability as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

NOTE J. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Liabilities related to risks of loss are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. During the last three years, claim settlements have not exceeded insurance coverage.

City of Yates Center, Kansas

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE K. OTHER INFORMATION

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the City. The City budget has budget violations in Economic Development, Special Recreational Facilities and Waterworks as of December 31, 2014. Management is not aware of any other violations.

As of year ended December 31, 2014 the City had placed enough funds into the sewer replacement account to comply with debt covenants as follows:

	<u>Actual</u>	<u>Required</u>
Principal and interest account	\$ <u>127,900</u>	\$ <u>101,700</u>

As of year ended December 31, 2014 the City had place enough funds into the water replacement account to comply with the covenants as follows:

	<u>Actual</u>	<u>Required</u>
Water reserve account	\$ <u>179,130</u>	\$ <u>150,000</u>

Subsequent Events: Management evaluated subsequent events through June 5, 2015. No subsequent events were identified which require disclosure.

**REGULATORY BASIS
SUPPLEMENTARY INFORMATION**

City of Yates Center, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
REGULATORY BASIS
For the Year Ended December 31, 2014

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Type Funds					
General	\$ 986,523	\$ 0	\$ 986,523	\$ 938,967	\$ (47,556)
Special Purpose					
Special Highway	176,212	0	176,212	165,939	(10,273)
Library	54,270	0	54,270	54,270	0
Recreational Commission	17,000	0	17,000	15,729	(1,271)
Special Law & Emergency Vehicles	208,818	0	208,818	0	(208,818)
Special Parks and Recreation	495	0	495	0	(495)
Municipal Equipment	77,042	0	77,042	0	(77,042)
Multi-year Capital Improvement	62,369	0	62,369	17,470	(44,899)
Fire Protection Reserve	15,600	0	15,600	7,443	(8,157)
Economic Development	32,370	0	32,370	35,913	3,543
Special Recreational Facilities	6,088	0	6,088	24,468	18,380
Business Funds					
Waterworks	407,571	0	407,571	435,997	28,426
Sewer	268,377	0	268,377	251,022	(17,355)
	170,078	0	170,078	170,078	0

See Report of Independent Certified Public Accountants.

City of Yates Center, Kansas

Schedule 2a

**GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Property	\$ 222,401	\$ 237,590	\$ 237,796	\$ (206)
Delinquent	19,370	25,729	0	25,729
Motor vehicle	49,779	44,672	44,620	52
Recreational vehicle	808	616	554	62
16/20M vehicle	1,623	1,499	1,363	136
Local sales tax	168,659	310,629	301,000	9,629
County sales tax	105,229	87,998	63,000	24,998
Special assessments	428	525	0	525
Total taxes	568,297	709,258	648,333	60,925
Intergovernmental				
Local alcohol liquor fund	291	329	301	28
Highway connecting links	59,535	60,126	40,000	20,126
Transfers in	0	3,511	0	3,511
Licenses and permits				
Utility franchise tax	68,833	76,891	68,000	8,891
Other licenses and permits	6,883	7,116	3,000	4,116
Impound fees	153	0	75	(75)
Charges for services				
Swimming fees	7,420	8,947	7,500	1,447
Fines and fees	112,407	104,765	70,000	34,765
Use of money and property				
Interest on idle funds	3,602	3,966	2,200	1,766
Oil production	0	2,691	0	2,691
Sale of asset	0	101	0	101
Reimbursed expenses	12,465	19,776	2,500	17,276
Miscellaneous	521	563	8,674	(8,111)
Total cash receipts	840,407	998,040	\$ 850,583	\$ 147,457
Expenditures				
General government				
General administration				
Salaries	73,547	72,932	\$ 84,000	\$ (11,068)
Contractual services	86,058	88,941	90,500	(1,559)
Commodities	9,310	6,144	12,500	(6,356)
Capital outlay	6,021	12,676	13,000	(324)
Total general administration	174,936	180,693	200,000	(19,307)

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013	Actual	Budget	Variance Over (Under)
Expenditures	Actual			
Utility service				
Contractual services	\$ 49,678	\$ 47,695	\$ 50,000	\$ (2,305)
Employee benefits				
Workmen's compensation	15,985	14,493	12,480	2,013
Retirement contributions	28,081	32,237	32,000	237
FICA payments	31,173	32,017	39,749	(7,732)
Unemployment contributions	1,406	9,240	2,000	7,240
Total employee benefits	76,645	87,987	86,229	1,758
Total general government	301,259	316,375	336,229	(19,854)
Public safety				
Fire department				
Salaries	14,919	16,791	22,129	(5,338)
Contractual services	12,061	15,498	11,527	3,971
Commodities	1,609	6,065	8,770	(2,705)
Capital outlay	11,312	7,065	7,500	(435)
Total fire department	39,901	45,419	49,926	(4,507)
Law enforcement				
Salaries	180,881	180,928	201,352	(20,424)
Contractual services	37,290	28,594	37,856	(9,262)
Commodities	13,141	11,880	10,816	1,064
Capital outlay	0	677	3,640	(2,963)
Total law enforcement	231,312	222,079	253,664	(31,585)
Total public safety	271,213	267,498	303,590	(36,092)
Culture and recreation				
Swimming pool				
Salaries	20,815	21,730	20,931	799
Contractual services	8,820	9,679	8,000	1,679
Commodities	7,368	12,745	8,673	4,072
Capital Outlay	10,945	7,875	7,194	681
Total swimming pool	47,948	52,029	44,798	7,231

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013	Actual	Budget	Variance Over (Under)
Expenditures	Actual			
Park department				
Salaries	\$ 3,265	\$ 2,803	\$ 3,428	\$ (625)
Contractual services	12,492	11,826	10,000	1,826
Commodities	4,600	1,377	2,478	(1,101)
Capital outlay	2,000	0	5,000	(5,000)
Total park department	<u>22,357</u>	<u>16,006</u>	<u>20,906</u>	<u>(4,900)</u>
Operating transfers	<u>114,000</u>	<u>287,059</u>	<u>281,000</u>	<u>6,059</u>
Total expenditures	<u>756,777</u>	<u>938,967</u>	<u>\$ 986,523</u>	<u>\$ (47,556)</u>
Receipts over (under) expenditures	83,630	59,073		
Unencumbered cash, January 1	<u>338,671</u>	<u>422,301</u>		
Unencumbered cash, December 31	<u>\$ 422,301</u>	<u>\$ 481,374</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2b

SPECIAL PURPOSE FUND
SPECIAL HIGHWAY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Intergovernmental	\$ 25,299	\$ 24,229	\$ 24,000	\$ 229
Miscellaneous	895	1,085	0	1,085
Reimbursed expenses	318	101	0	101
Operating transfers	104,000	144,396	143,800	596
Total cash receipts	<u>130,512</u>	<u>169,811</u>	<u>\$ 167,800</u>	<u>\$ 2,011</u>
Expenditures				
Highways and streets				
Personal services	55,974	56,079	\$ 63,000	\$ (6,921)
Contractual services	6,157	24,288	15,000	9,288
Commodities	62,592	51,777	56,622	(4,845)
Capital outlay	3,540	0	10,000	(10,000)
Base rock	253	0	0	0
Other	7,186	0	0	0
Total highways and streets	<u>135,702</u>	<u>132,144</u>	<u>144,622</u>	<u>(12,478)</u>
Debt service				
Principal	18,295	21,190	21,190	0
Interest	2,895	2,205	0	2,205
Total debt service	<u>21,190</u>	<u>23,395</u>	<u>21,190</u>	<u>2,205</u>
Operating transfers	<u>10,400</u>	<u>10,400</u>	<u>10,400</u>	<u>0</u>
Total expenditures	<u>167,292</u>	<u>165,939</u>	<u>\$ 176,212</u>	<u>\$ (10,273)</u>
Receipts over (under) expenditures	(36,780)	3,872		
Unencumbered cash, January 1	<u>103,030</u>	<u>66,250</u>		
Unencumbered cash, December 31	<u>\$ 66,250</u>	<u>\$ 70,122</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2c

SPECIAL PURPOSE FUND
DOWNTOWN DEVELOPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Use of money and property	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures				
Capital outlay	13,500	0	\$ 0	\$ 0
Operating transfers	6,614	0	0	0
Total expenditures	20,114	0	\$ 0	\$ 0
Receipts over (under) expenditures	(20,114)	0		
Unencumbered cash, January 1	20,114	0		
Unencumbered cash, December 31	\$ 0	\$ 0		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2d

SPECIAL PURPOSE FUND
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash receipts				
Taxes				
Property	\$ 46,018	\$ 47,160	\$ 47,167	\$ (7)
Delinquent tax	1,943	4,621	0	4,621
Motor vehicle tax	8,361	9,451	9,233	218
Recreation vehicle tax	134	127	115	12
16/20 Vehicle tax	<u>244</u>	<u>0</u>	<u>282</u>	<u>(282)</u>
Total cash receipts	<u>56,700</u>	<u>61,359</u>	\$ <u>56,797</u>	\$ <u>4,562</u>
Expenditures				
Appropriation	<u>53,610</u>	<u>54,270</u>	\$ <u>54,270</u>	\$ <u>0</u>
Receipts over (under) expenditures	3,090	7,089		
Unencumbered cash, January 1	<u>1,765</u>	<u>4,855</u>		
Unencumbered cash, December 31	\$ <u>4,855</u>	\$ <u>11,944</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2e

SPECIAL PURPOSE FUND
RECREATION COMMISSION BOARD
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Property	\$ 13,981	\$ 14,920	\$ 14,920	\$ 0
Delinquent tax	626	1,452	0	1,452
Motor vehicle tax	2,673	2,874	2,805	69
Recreation vehicle tax	42	39	35	4
16/20 vehicle tax	<u>0</u>	<u>0</u>	<u>86</u>	<u>(86)</u>
Total cash receipts	<u>17,322</u>	<u>19,285</u>	\$ <u>17,846</u>	\$ <u>1,439</u>
Expenditures				
Culture and recreation				
Personal services	11,607	12,926	\$ 12,000	\$ 926
Appropriation	<u>4,461</u>	<u>2,803</u>	<u>5,000</u>	<u>(2,197)</u>
Total expenditures	<u>16,068</u>	<u>15,729</u>	\$ <u>17,000</u>	\$ <u>(1,271)</u>
Receipts over (under) expenditures	1,254	3,556		
Unencumbered cash, January 1	<u>594</u>	<u>1,848</u>		
Unencumbered cash, December 31	\$ <u>1,848</u>	\$ <u>5,404</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2f**

SPECIAL PURPOSE FUND
LINCOLN PARK MEMORIAL
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash Receipts		
Proceeds		
Donations	\$ 2,850	\$ 0
Expenditures		
Park		
Contractual services	5,292	0
Capital outlay	<u>55,750</u>	<u>0</u>
Total expenditures	<u>61,042</u>	<u>0</u>
Receipts over (under) expenditures	(58,192)	0
Unencumbered cash, January 1	<u>70,000</u>	<u>11,808</u>
Unencumbered cash, December 31	<u>\$ 11,808</u>	<u>\$ 11,808</u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2g

SPECIAL PURPOSE FUND
SPECIAL LAW AND EMERGENCY VEHICLES
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Property	\$ 10,836	\$ 11,080	\$ 11,078	\$ 2
Delinquent	777	1,166	0	1,166
Motor vehicle	2,225	2,172	2,175	(3)
Recreational vehicle	36	30	27	3
16/20M vehicle	67	67	66	1
Local sales tax	31,624	0	0	0
Miscellaneous	0	0	20	(20)
Transfers	0	33,282	32,250	1,032
Total cash receipts	<u>45,565</u>	<u>47,797</u>	<u>\$ 45,616</u>	<u>\$ 2,181</u>
Expenditures				
Public safety				
Capital outlay	22,467	0	\$ 205,780	\$ (205,780)
Fire equipment payment	0	0	3,038	(3,038)
Total expenditures	<u>22,467</u>	<u>0</u>	<u>\$ 208,818</u>	<u>\$ (208,818)</u>
Receipts over (under) expenditures	23,098	47,797		
Unencumbered cash, January 1	<u>141,848</u>	<u>164,946</u>		
Unencumbered cash, December 31	<u>\$ 164,946</u>	<u>\$ 212,743</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2h

SPECIAL PURPOSE FUND
SPECIAL PARKS AND RECREATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Cash receipts				
Local alcohol tax	\$ 291	\$ 329	\$ <u>300</u>	\$ <u>29</u>
Expenditures				
Other	<u>0</u>	<u>0</u>	\$ <u>495</u>	\$ <u>(495)</u>
Receipts over (under) expenditures	291	329		
Unencumbered cash, January 1	<u>2,882</u>	<u>3,173</u>		
Unencumbered cash, December 31	\$ <u>3,173</u>	\$ <u>3,502</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2i

SPECIAL PURPOSE FUND
MUNICIPAL EQUIPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Cash receipts				
Operating transfers	\$ 15,400	\$ 15,400	\$ <u>15,400</u>	\$ <u>0</u>
Expenditures				
General government				
Capital outlay	<u>18,000</u>	<u>0</u>	\$ <u>77,042</u>	\$ <u>(77,042)</u>
Receipts over (under) expenditures	(2,600)	15,400		
Unencumbered cash, January 1	<u>76,242</u>	<u>73,642</u>		
Unencumbered cash, December 31	\$ <u><u>73,642</u></u>	\$ <u><u>89,042</u></u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2i

SPECIAL PURPOSE FUND
MULTI-YEAR CAPITAL IMPROVEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Property	\$ 10,836	\$ 11,074	\$ 11,075	\$ (1)
Delinquent	777	1,166	0	1,166
Motor vehicle	2,225	2,172	2,174	(2)
Recreational vehicle	36	30	27	3
16/20M vehicle	68	67	66	1
Total taxes	13,942	14,509	13,342	1,167
Operating transfers	5,000	28,297	27,575	722
Total cash receipts	18,942	42,806	\$ 40,917	\$ 1,889
Expenditures				
General government				
Contract Labor	8,125	0	\$ 0	\$ 0
Capital outlay	3,962	3,209	19,390	(16,181)
Parks	0	0	9,675	(9,675)
Swimming pool	0	0	12,900	(12,900)
Total general government	12,087	3,209	41,965	(38,756)
Debt service				
Principal	10,512	10,786	16,442	(5,656)
Interest	2,997	3,475	3,962	(487)
Total debt service	13,509	14,261	20,404	(6,143)
Total expenditures	25,596	17,470	\$ 62,369	\$ (44,899)
Receipts over (under) expenditures	(6,654)	25,336		
Unencumbered cash, January 1	27,691	21,037		
Unencumbered cash, December 31	\$ 21,037	\$ 46,373		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2k

SPECIAL PURPOSE FUND
FIRE PROTECTION RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Local sales tax	\$ 13,778	\$ 0	\$ 0	\$ 0
Transfers	<u>0</u>	<u>13,313</u>	<u>12,900</u>	<u>413</u>
Total cash receipts	<u>13,778</u>	<u>13,313</u>	<u>\$ 12,900</u>	<u>\$ 413</u>
Expenditures				
Public Safety				
Contractual	7,049	6,934	\$ 11,336	\$ (4,402)
Commodities	<u>26</u>	<u>509</u>	<u>4,264</u>	<u>(3,755)</u>
Total expenditures	<u>7,075</u>	<u>7,443</u>	<u>\$ 15,600</u>	<u>\$ (8,157)</u>
Receipts over (under) expenditures	6,703	5,870		
Unencumbered cash, January 1	<u>30,769</u>	<u>37,472</u>		
Unencumbered cash, December 31	<u>\$ 37,472</u>	<u>\$ 43,342</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 21****SPECIAL PURPOSE FUND
BALL FIELD IMPROVEMENTS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS****For the Year Ended December 31, 2014****(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Transfer	\$ <u>9,487</u>	\$ <u>9,984</u>
Expenditures		
Special recreational facilities		
Improvements	<u>0</u>	<u>6,095</u>
Receipts over (under) expenditures	9,487	3,889
Unencumbered cash, January 1	<u>1,667</u>	<u>11,154</u>
Unencumbered cash, December 31	\$ <u><u>11,154</u></u>	\$ <u><u>15,043</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2m

SPECIAL PURPOSE FUND
ECONOMIC DEVELOPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Local sales tax	\$ 30,785	\$ 0	\$ 0	\$ 0
Operating transfers	<u>0</u>	<u>26,625</u>	<u>26,656</u>	<u>(31)</u>
Total cash receipts	<u>30,785</u>	<u>26,625</u>	<u>\$ 26,656</u>	<u>\$ (31)</u>
Expenditures				
General government				
Contractual	0	9,500	\$ 9,500	\$ 0
Property Tax Incentives	3,197	3,311	3,311	0
Chamber allocation	18,370	18,370	14,885	3,485
County taxes	4,817	43	43	0
Mardi Gras Festival	9,936	1,576	1,518	58
Capital Outlay	<u>0</u>	<u>3,113</u>	<u>3,113</u>	<u>0</u>
Total expenditures	<u>36,320</u>	<u>35,913</u>	<u>\$ 32,370</u>	<u>\$ 3,543</u>
Receipts over (under) expenditures	(5,535)	(9,288)		
Unencumbered cash, January 1	<u>81,859</u>	<u>76,324</u>		
Unencumbered cash, December 31	<u>\$ 76,324</u>	<u>\$ 67,036</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2n

**SPECIAL PURPOSE FUND
WATER RESCUE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended December 31, 2014

(Actual Totals for the Prior Year Ended December 31, 2013)

	2013 Actual	2014 Actual
Cash receipts	\$ 0	\$ 0
Expenditures		
Public safety		
Capital Outlay	0	0
Total expenditures	0	0
Receipts over (under) expenditures	0	0
Unencumbered cash, January 1	3,721	3,721
Unencumbered cash, December 31	\$ 3,721	\$ 3,721

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2o**

SPECIAL PURPOSE FUND
LIGHT HARDWARE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Cash receipts		
Operating Transfers	0	1,932
Use of money and property	\$ 450	\$ 250
Miscellaneous	<u>4,409</u>	<u>5,697</u>
Total cash receipts	<u>4,859</u>	<u>7,879</u>
Expenditures		
Recreation		
Contractual	2,186	10,359
Commodities	968	1,329
Capital outlay	0	2,058
Operating Transfers	<u>0</u>	<u>3,511</u>
Total expenditures	<u>3,154</u>	<u>17,257</u>
Receipts over (under) expenditures	1,705	(9,378)
Unencumbered cash, January 1	<u>7,673</u>	<u>9,378</u>
Unencumbered cash, December 31	<u>\$ 9,378</u>	<u>\$ 0</u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2p

SPECIAL PURPOSE FUND
SPECIAL RECREATIONAL FACILITIES
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Charges for services	\$ 12,185	\$ 10,180	\$ 9,015	\$ 1,165
Use of money and property	6,916	6,288	6,288	0
Miscellaneous	13,656	13,552	13,761	(209)
Donations	0	1,028	1,028	0
	<u>32,757</u>	<u>31,048</u>	<u>\$ 30,092</u>	<u>\$ 956</u>
Expenditures				
Special recreational facilities				
Contractual services	2,431	8,734	\$ 6,088	\$ 2,646
Commodities	1,924	1,897	0	1,897
Capital outlay	1,763	13,837	0	13,837
KDWP Cost Grant	0	0	0	0
	<u>6,118</u>	<u>24,468</u>	<u>\$ 6,088</u>	<u>\$ 18,380</u>
Receipts over (under) expenditures	26,639	6,580		
Unencumbered cash, January 1	<u>68,595</u>	<u>95,234</u>		
Unencumbered cash, December 31	\$ <u>95,234</u>	\$ <u>101,814</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2g

**SPECIAL PURPOSE FUND
POLICE DEPARTMENT SPECIAL ACCOUNT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Use of money and property	\$ 10	\$ 9
Seized cash and property	<u>200</u>	<u>0</u>
Total cash receipts	210	9
Expenditures		
Public safety		
Commodities	<u>849</u>	<u>0</u>
Receipts over (under) expenditures	(639)	9
Unencumbered cash, January 1	<u>6,569</u>	<u>5,930</u>
Unencumbered cash, December 31	<u><u>\$ 5,930</u></u>	<u><u>\$ 5,939</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2r

**CAPITAL PROJECT FUND
WATER - CAPITAL IMPROVEMENTS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	2013 Actual	2014 Actual
Cash receipts	\$ 0	\$ 0
Expenditures		
Operating transfers	<u>4,168</u>	<u>0</u>
Receipts over (under) expenditures	(4,168)	0
Unencumbered cash, January 1	<u>4,168</u>	<u>0</u>
Unencumbered cash, December 31	<u>\$ 0</u>	<u>\$ 0</u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2s

BUSINESS FUND
WATERWORKS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		Variance
	2013	Actual	Budget	Over
	Actual			(Under)
Cash receipts				
Charges for services	\$ 475,686	\$ 464,965	\$ 468,340	\$ (3,375)
Water protection fee	1,149	1,133	1,052	81
Use of money and property	16,298	17,160	15,618	1,542
Reimbursed expenses	312	775	775	0
Miscellaneous	2,220	1,983	2,276	(293)
State set-off program	1,511	578	578	0
Operating transfers	4,168	0	0	0
Total cash receipts	501,344	486,594	\$ 488,639	\$ (2,045)
Expenditures				
Operations				
Personal services	90,313	96,714	\$ 97,540	\$ (826)
Contractual services	80,106	82,801	84,000	(1,199)
Commodities	105,731	116,362	113,700	2,662
Capital outlay	16,774	33,126	15,000	18,126
Water improvement project	0	40,850	31,188	9,662
Total operations	292,924	369,853	341,428	28,425
Debt service				
Principal	32,103	17,055	17,272	(217)
Interest	18,829	2,689	2,471	218
Total debt service	50,932	19,744	19,743	1
Operating transfers	104,400	46,400	46,400	0
Total expenditures	448,256	435,997	\$ 407,571	\$ 28,426
Receipts over (under) expenditures	53,088	50,597		
Unencumbered cash, January 1	373,635	426,723		
Unencumbered cash, December 31	\$ 426,723	\$ 477,320		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2t

BUSINESS FUND
SEWER
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		2014		
	2013			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Charges for services	\$ 220,017	\$ 238,887	\$ 251,658	\$ (12,771)
Reimbursement	0	200	0	200
Set-off program	648	578	0	578
Operating transfer	<u>79,000</u>	<u>26,000</u>	<u>0</u>	<u>26,000</u>
Total cash receipts	<u>299,665</u>	<u>265,665</u>	\$ <u>251,658</u>	\$ <u>14,007</u>
Expenditures				
Operations				
Personnel	0	0	\$ 21,000	\$ (21,000)
Contractual services	63,646	64,369	55,000	9,369
Commodities	1,274	541	5,000	(4,459)
Capital outlay	<u>0</u>	<u>4,412</u>	<u>6,000</u>	<u>(1,588)</u>
Total operations	<u>64,920</u>	<u>69,322</u>	<u>87,000</u>	<u>(17,678)</u>
Operating transfers	<u>229,700</u>	<u>181,700</u>	<u>181,377</u>	<u>323</u>
Total expenditures and budget credits	<u>294,620</u>	<u>251,022</u>	\$ <u>268,377</u>	\$ <u>(17,355)</u>
Receipts over (under) expenditures	5,045	14,643		
Unencumbered cash, January 1	<u>(4,706)</u>	<u>339</u>		
Unencumbered cash, December 31	\$ <u>339</u>	\$ <u>14,982</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2u

**BUSINESS FUND
SEWER REPLACEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Operating transfer	\$ <u>59,300</u>	\$ <u>11,300</u>
Expenditures		
Operating Transfers	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	59,300	11,300
Unencumbered cash, January 1	<u>57,300</u>	<u>116,600</u>
Unencumbered cash, December 31	\$ <u><u>116,600</u></u>	\$ <u><u>127,900</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2v

BUSINESS FUND
SEWER DEBT SERVICE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

		<u>2014</u>		
	<u>2013</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
				<u>(Under)</u>
Cash receipts				
Transfers in	\$ 173,700	\$ 170,400	\$ 170,400	\$ 0
Expenditures				
Debt service				
Principal	120,509	124,629	124,629	0
Interest	45,913	42,097	42,097	0
Service fee	<u>3,655</u>	<u>3,352</u>	<u>3,352</u>	<u>0</u>
Total expenditures	<u>170,077</u>	<u>170,078</u>	\$ <u>170,078</u>	\$ <u>0</u>
Receipts over (under) expenditures	3,623	322		
Unencumbered cash, January 1	<u>54,300</u>	<u>57,923</u>		
Unencumbered cash, December 31	\$ <u>57,923</u>	\$ <u>58,245</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2w

**BUSINESS FUND
WATER RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)**

	<u>2013 Actual</u>	<u>2014 Actual</u>
Cash receipts		
Use of money and property	\$ 297	\$ 338
Operating transfer	<u>22,100</u>	<u>20,400</u>
Total cash receipts	<u>22,397</u>	<u>20,738</u>
Receipts over (under) expenditures	22,397	20,738
Unencumbered cash, January 1	<u>135,995</u>	<u>158,392</u>
Unencumbered cash, December 31	<u><u>\$ 158,392</u></u>	<u><u>\$ 179,130</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 3**

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2014

<u>Fund</u>	<u>Cash Balance January 1, 2014</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance December 31, 2014</u>
Municipal Court	\$ 951	\$ 116,391	\$ 116,337	\$ 1,005
Municipal Court Bonds	360	1,965	1,300	1,025
Retirement	<u>534</u>	<u>3,360</u>	<u>0</u>	<u>3,894</u>
Total agency funds	\$ <u>1,845</u>	\$ <u>121,716</u>	\$ <u>117,637</u>	\$ <u>5,924</u>

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 4****RELATED MUNICIPAL ENTITY
CARNEGIE PUBLIC LIBRARY GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended December 31, 2014

(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	2013	2014
	Actual	Actual
Cash receipts		
Intergovernmental	\$ 62,612	\$ 64,346
Fines and forfeitures	1,633	1,388
Use of money and property	319	295
Grants	3,759	0
Other Income	25	0
	<u>68,348</u>	<u>66,029</u>
Total cash receipts		
	<u>68,348</u>	<u>66,029</u>
Expenditures		
Culture and recreation		
Personal services	45,667	48,368
Contractual	5,230	6,065
Commodities	17,845	11,592
	<u>68,742</u>	<u>66,025</u>
Total expenditures		
	<u>68,742</u>	<u>66,025</u>
Receipts over (under) expenditures	(394)	4
Unencumbered cash, January 1	<u>110,665</u>	<u>110,271</u>
Unencumbered cash, December 31	<u>\$ 110,271</u>	<u>\$ 110,275</u>

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 4**

RELATED MUNICIPAL ENTITY
RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2014
(With Comparative Actual Totals for the Prior Year Ended December 31, 2013)

	<u>2013</u> <u>Actual</u>	<u>2014</u> <u>Actual</u>
Cash receipts		
Intergovernmental		
City of Yates Center	\$ 4,461	\$ 2,803
Charges for services		
Entry fees	2,895	4,378
Concession	2,270	2,840
Use of money and property	17	17
Donations	<u>3,379</u>	<u>6,471</u>
Total cash receipts	<u>13,022</u>	<u>16,509</u>
Expenditures		
Culture and recreation		
Improvements	0	15,056
Equipment and supply	7,312	9,825
Repairs and maintenance	1,727	5,312
Mowing	2,481	2,382
Miscellaneous	3,467	3,103
Tournament supplies	1,602	109
Concessions	<u>1,141</u>	<u>2,906</u>
Total expenditures	<u>17,730</u>	<u>38,693</u>
Receipts over (under) expenditures	(4,708)	(22,184)
Unencumbered cash, January 1	<u>36,616</u>	<u>31,908</u>
Unencumbered cash, December 31	<u>\$ 31,908</u>	<u>\$ 9,724</u>

See Independent Auditor's Report.